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Dec. 5, 1995

# DEPARTMENT OF LIVESTOCK



1520 E 6TH AVENUE - RM 50  
PO BOX 200512  
HELENA, MONTANA 59620-0512



MARC RACICOT, GOVERNOR

## STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

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### BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

**PUBLISHED: December 5, 1995**  
**EFFECTIVE: January 1, 1996**  
**12:01 a.m.**

Due to the latest data available as of December 5, 1995, as applied to the Producer Formula (Docket #69-84, first price announcement effective 7/01/84) the Producer Formula Index has been calculated to be 271.08.

#### MINIMUM PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 8.86.301(3)

EFFECTIVE January 1, 1996, the minimum price to be paid milk producers, under ARM 8.86.301, will be \$16.02 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of twelve cents for each one-tenth of one percent butterfat above or below the midpoint to each producer payment. The value of one pound of butterfat utilized will be one dollar and twenty cents (\$1.20).

#### MINIMUM PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 8.86.301(4)

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#### CLASS II PRICE FOR MILK TESTING 3.5%

\$12.85 /CWT

Average spray process dry milk solids

price per pound = \$1.18250  
Multiplied by 8.2 x 8.2

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\$9.69650

\$9.69650

PLUS +

Average Grade 'A' 92 score butter

price per pound = \$1.03500  
Multiplied by 4.2 x 4.2

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\$4.34700

+ \$4.34700

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\$14.04350

LESS 8.5% ( \$14.04350 X .085)

- \$1.19370

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\$12.84980

Rounded to the nearest whole cent =

\$12.85/hundredweight

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HELENA, MONTANA 59620

EFF: JAN 1, 1996

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CLASS II BUTTERFAT PRICE PER POUND			\$1.15 /LB
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Butterfat differential	(	\$1.03500 X .111 )	= \$0.11489
Rounded to the nearest half cent	=		\$0.115
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CLASS II VALUE OF ONE POUND OF SKIM			\$0.09145 /LB
=====			
Butterfat value per pound	=	\$1.15	
for milk at 3.5% test:			
Hundredweight price of milk testing 3.5%			= \$12.85
LESS 3.5 pounds of butterfat at	\$1.15 per pound	-	\$4.025
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Value of 96.5 pounds of skim		=	\$8.825
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Value of one pound of skim	( 8.825 ÷ 96.5 pounds)	=	\$0.09145 /LB

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PRODUCER CLASS III PRICE IN MONTANA

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REF: ARM 8.86.301(5)

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CLASS III BUTTERFAT PRICE PER POUND			\$0.93 /LB
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Avg. Grade 'A' 92 score butter price/LB		\$1.03500	
LESS 10%	-	\$0.10350	
		-----	
		\$0.93150	
Rounded to the nearest whole cent	=	\$0.93 per pound.	
=====			
CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED			\$8.05 /CWT
=====			
Avg. spray process dry milk solid price/LB		\$1.18250	
Multiplied by 8.2	x	8.2	
		-----	
		\$9.69650	
		\$1.64841	
		-----	
		\$8.04809	
Rounded to the nearest whole cent	=	\$8.05 per hundredweight.	
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CLASS III PRICE PER CWT FOR MILK TESTING 3.5%			\$11.02 /CWT
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3.5 pounds of butterfat	x	\$0.93 per pound =	\$3.255
96.5 pounds of skim	x	\$0.08048 per pound =	\$7.766
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			\$11.021 /CWT

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Marilyn M. Koontz  
 Marilyn M. Koontz, Admin. Assistant  
 Montana Milk Control Bureau

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BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

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CLASS I SKIM PRICE BASED ON  
\$16.02 FOR 3.5% MILK  
96.5 LBS. = \$11.820

CLASS II SKIM PRICE BASED ON  
\$12.85 FOR 3.5% MILK  
96.5 LBS. = \$8.825

CLASS III SKIM PRICE BASED ON  
\$11.02 FOR 3.5% MILK  
96.5 LBS. = \$7.766

TEST	PRICE/LB
2.50	\$0.12123
2.55	\$0.12129
2.60	\$0.12136
2.65	\$0.12142
2.70	\$0.12148
2.75	\$0.12154
2.80	\$0.12160
2.85	\$0.12167
2.90	\$0.12173
2.95	\$0.12179
3.00	\$0.12186
3.05	\$0.12192
3.10	\$0.12198
3.15	\$0.12204
3.20	\$0.12211
3.25	\$0.12217
3.30	\$0.12223
3.35	\$0.12230
3.40	\$0.12236
3.45	\$0.12242
3.50	\$0.12249
3.55	\$0.12255
3.60	\$0.12261
3.65	\$0.12268
3.70	\$0.12274
3.75	\$0.12281
3.80	\$0.12287
3.85	\$0.12293
3.90	\$0.12300
3.95	\$0.12306
4.00	\$0.12313
4.05	\$0.12319
4.10	\$0.12325
4.15	\$0.12332
4.20	\$0.12338
4.25	\$0.12345
4.30	\$0.12351
4.35	\$0.12358
4.40	\$0.12364
4.45	\$0.12370
4.50	\$0.12377

TEST	PRICE/LB
2.50	\$0.09051
2.55	\$0.09056
2.60	\$0.09061
2.65	\$0.09065
2.70	\$0.09070
2.75	\$0.09075
2.80	\$0.09079
2.85	\$0.09084
2.90	\$0.09089
2.95	\$0.09093
3.00	\$0.09098
3.05	\$0.09103
3.10	\$0.09107
3.15	\$0.09112
3.20	\$0.09117
3.25	\$0.09121
3.30	\$0.09126
3.35	\$0.09131
3.40	\$0.09136
3.45	\$0.09140
3.50	\$0.09145
3.55	\$0.09150
3.60	\$0.09155
3.65	\$0.09159
3.70	\$0.09164
3.75	\$0.09169
3.80	\$0.09174
3.85	\$0.09178
3.90	\$0.09183
3.95	\$0.09188
4.00	\$0.09193
4.05	\$0.09197
4.10	\$0.09202
4.15	\$0.09207
4.20	\$0.09212
4.25	\$0.09217
4.30	\$0.09222
4.35	\$0.09226
4.40	\$0.09231
4.45	\$0.09236
4.50	\$0.09241

TEST	PRICE/LB
2.50	\$0.07965
2.55	\$0.07970
2.60	\$0.07974
2.65	\$0.07978
2.70	\$0.07982
2.75	\$0.07986
2.80	\$0.07990
2.85	\$0.07994
2.90	\$0.07998
2.95	\$0.08002
3.00	\$0.08007
3.05	\$0.08011
3.10	\$0.08015
3.15	\$0.08019
3.20	\$0.08023
3.25	\$0.08027
3.30	\$0.08031
3.35	\$0.08036
3.40	\$0.08040
3.45	\$0.08044
3.50	\$0.08048
3.55	\$0.08052
3.60	\$0.08056
3.65	\$0.08061
3.70	\$0.08065
3.75	\$0.08069
3.80	\$0.08073
3.85	\$0.08077
3.90	\$0.08081
3.95	\$0.08086
4.00	\$0.08090
4.05	\$0.08094
4.10	\$0.08098
4.15	\$0.08103
4.20	\$0.08107
4.25	\$0.08111
4.30	\$0.08115
4.35	\$0.08120
4.40	\$0.08124
4.45	\$0.08128
4.50	\$0.08132

